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January 6, 1993

TO: Minerals File

FROM: Tony Gallegos, Reclamation Engineer *dag*

RE: Meeting, SF Phosphates, Ltd. (SF), Vernal Phosphate Operations, M/047/007, Uintah County, Utah

Date: December 14, 1992  
Time: 1315 - 1500  
Participants: Ron Ryan, SF Phosphates, Ltd.; Tony Gallegos, DOGM

Purpose of Meeting: To discuss the Division's draft surety estimate and letter of November 11, 1992.

Mr. Ryan indicated that he could not find information to support some of the acreage figures used in the Division's draft surety estimate and various tables associated with the letter. The draft surety estimate was based on acreages used in the original November 1985 estimate. Mr. Ryan and I could not find documentation adequately defining/describing several acreages used in the original estimate. The areas in question were: the plant facilities/concentrator area, the tailings dam, the tailings dam miscellaneous areas, the pipeline, the conveyor, roads, and access roads to panels D & E.

Mr. Ryan indicated he would provide a revised map showing the appropriate acreages with SF's response. He felt that the pipeline, which is mostly underground, should not be included as disturbed acreage. With the exception of the bridge across Brush Creek, the pipeline area is essentially reclaimed/revegetated. Since the underground pipeline would probably not be excavated at final reclamation it may not be appropriate to include it in the reclamation surety. I will discuss reclamation of the pipeline with the other Minerals staff and also check with Division staff to see if the demolition of the pipeline bridge was included in the original estimate. Mr. Ryan felt the acreages for the SAG Mill, Plant Facilities, Shop, etc., in the original estimate, were overly conservative and he would compare the old figures with what was actually in place and indicate the appropriate areas in SF's revised table and indicate these area with borders on the new map. We discussed the option of using aerial

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photography/mapping to come up with a new site map. Mr. Ryan said he would present this idea to his supervisors.

Mr. Ryan thought the conveyor/pipeline/access road acreages probably overlapped and were redundant. He estimated a total figure of 10 miles of dirt roads, 15 feet wide, to be a conservative approximation of the dirt road area needing reclamation. He will provide a separate acreage figure for the paved roads needing reclamation in SF's response.

Mr. Ryan asked why the Division projects the surety figure five years into the future. I informed him that it was a directive issued by the Board and was based on reducing paper work and logistics associated with renewing sureties on an annual basis. This practice also provided the Division a sense of financial security knowing the surety was adequate for 5 years. Mr. Ryan indicated that when combined with the policy of waiting three years for revegetation success, the surety policy had the net effect of bonding for eight years of mining disturbance.

The meeting concluded with the understanding that SF would provide: (1) a response to the last Division letter, (2) a new site map similar to the annual report maps with additional borders identifying the areas in question, (3) a new table for the projected future mining disturbances and maximum "mined" area, and (4) an edited version of the Division's draft surety estimate. Upon receipt, the Division would use the new information to reevaluate the draft surety estimate and arrive at a new surety amount. After the surety amount is agreed upon, the next step would be to proceed with the appropriate paper work (reclamation contract and surety forms). SF will need to inform the Division as to the form of surety

jb  
cc: Ron Ryan, SF Phosphates  
Wayne Hedberg, DOGM  
M047007